

National NGV Legislative Update

NGVTF
November 19, 2008

Setting the Table

- In the last four months of 2008, there were six NGV incentive bills introduced:
 - Sen. Barack Obama sponsored one re: school buses incentives
 - Rep. Rahm Emanuel introduced a much broader bill
- Lower petroleum/gasoline prices is giving Congress a reprieve from doing anything hasty:
 - But they know that that will change at some point
 - Action is needed to spur alt fuels/advanced technology

111th Congress:

Issues of Importance to the NGV Industry

- Tax Bill
- Comprehensive Energy Bill
- Climate Change
- Highway & Transit Reauthorization Bill
- Appropriations

Tax Wish List

- Extend fuel, vehicle and infrastructure excise tax credits to 12/31/2017 (or make them permanent)
- Increase the vehicle purchase income tax credit for a dedicated NGV to 100 percent of the incremental cost cap (Emanuel and Obama)
- Expand definition of a dedicated NGV to include bi-fuel vehicles (with limited gasoline capacity (Inhofe))
- Double the vehicle purchase income tax credit incremental price cost cap for light-, medium- and heavy-duty NGVs

(continued)

Tax Wish List

- Double the vehicle purchase income tax credit incremental price cost cap for customers buying 100 or more vehicles (Emanuel and Obama)
- Allow public entities and other non-income tax paying organizations to apply the vehicle purchase income tax credit to their employment tax liability
- Exempt buyers and sellers of NGVs and CNG/LNG infrastructure from personal and business AMT liabilities (Kagen)

(continued)

Tax Wish List

- Provide 10 percent of the cost of the vehicle or \$2,000 tax credit to OEMs for manufacturing dedicated NGVs cap at \$100 million per manufacturer (Emanuel)
- Increase home refueling tax credit from \$1,000 to \$2,000 (Emanuel)
- Increase infrastructure credit for natural gas refueling property to the lesser of 30% or \$250,000 (Kagen)
- Change the tax code and make gaseous hydrogen eligible for fuel tax credits
- Secure a biomethane tax credit (Higgins)

Energy Bill Wish List

- Establish a \$5 billion national development grant/loan program for OEMs for NGV production (Emanuel)
- Establish a \$2.6 billion national development grant/loan program for the installation of natural gas fueling stations/pumps (Emanuel)

Climate Change Wish List

- Allow natural gas to be eligible for credits under the Renewable Fuel Standard (Inhofe)
- Exclude NGVs (in fact, all LDC gas uses) from coverage under any cap-and-trade program
- Include NGVs in any Climate Change grant/demonstration for alt fuels and advanced low greenhouse gas technologies

Highway Bill Wish List

- Transit:
 - Allow transit agencies from attainment *and* non-attainment areas (currently just attainment areas) to use FTA funds to pay for part of the incremental price of alt fuel or advanced technology transit buses
 - Allow transit agencies to use FTA funds to pay for 100 percent of the incremental price of alt fuel or advanced technology transit buses, subject to a per bus cost cap

(continued)

Highway Bill Wish List

- School Buses:
 - Allocate \$100 million per year from the Highway Trust Fund account for a dedicated funding source for a green school bus replacement program
- Conversions:
 - Direct EPA to use “type” certification instead of “model year” certification for conversion systems
 - Direct EPA to allow an NGV certification (granted for a engine family for a particular year) to remain valid forever for that engine family for that particular year (Inhofe and Wicker)

(continued)

Highway Bill Wish List

- Grant a three-year waiver to any OEM manufacturing and selling NGVs outside the United States to import NGVs
 - OEMs must attest that the vehicles meet or exceed U.S. safety and emission without actually incurring all the costs of testing the vehicles for the U.S. market)
- Establish a \$5 million grant program within the DOE RD&D program to fund 75 percent of the cost of securing an EPA or CARB certification for a alt fuel conversion system (subject to a cap of \$200,000 per certification)

(continued)

Highway Bill Wish List

- Other:
 - Establish a grant fund paid for the from the Highway Trust Fund to build LNG (or LCNG) fueling stations along designated “NGV Highway Corridors”

Appropriations Wish List

- Appropriate \$25 million in FY2009 and FY2010 for a DOE NGV RD&D Program
- Appropriate \$25 million for FY2009 and FY2010 for the Clean Cities program

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